CHAPTER-V

CONSTRAINTS WHILE IMPLEMENTATION OF RURAL DEVELOPMENT PROGRAMMES.

5.1. Introduction.

This chapter is devoted to discuss the constraints while implementation of rural development programme like SGSY in the study area. The success of a set of programmes takes rural society upwards. This achievement itself engenders some problems. To resolve which new measures are devised and put into operation. Thus In India, Rural Development is continuous in its very conception with only the contents being changed or the emphasis of the various ingredients & rural development approaches being varied over a period of time. Each and every one has achieved its objectives. However, there is also some problems may be raised at the time of implementation of the scheme. The return from this scheme is not impressive. The major cause relates to the deficiencies at the implementation stages, poor evaluation and monitoring of the schemes, Allocation of funds for the programmes is welcomed. But the incidence of leakages is quite high. Hence, the benefit from the scheme to the target group is much less than expected.

The problems of beneficiaries are broadly classified into two types. These problems were found out by the research study. They are as follows.

1. Specific Problems.
2. Difficulties encountered in obtaining SGSY loans.
3. General Problems.
5.2. SPECIFIC PROBLEMS OF THE SGSY BENEFICIARIES.

There are certain specific problems found in the study area. Some of the observed problems are furnished below.

5.2.1. Uncertain income and risk of repayment of Loan:

There were 38 (36.53 percent) out of 104 (100) beneficiaries obtained loan for animal husbandry, Buffalo unit, and Business/ small traders. In respect of these schemes, uncertain income and risk of repayment of Loan is one of the main problems among the beneficiaries. There are 20 beneficiaries under animal husbandry, buffalo units and 02 beneficiaries under business/ small traders, who had complained that their income level is uncertain due to absence of regular market, they are not getting remunerative price for their product. And some times due to uncertain rain fall beneficiaries of animal husbandry & Buffalo unit, they do not provide sufficient feed & fodder for animals. And they (all belonging to dairy) have asserted that the yield of milk is very low and diminishing with the passage of time. Another problem is that the sudden death of milching animal on the one hand no renewal of cattle insurance on the others.

The table 5.1 illustrates the response of beneficiaries regarding repayment of loan. The table reveals that 36.56 percent of the beneficiaries are facing the problem of uncertain income and risk of repayment of loan within a time and about 63.46 percent of them are having a capacity to repayment of loan. This shows the majority of beneficiaries are facing the problem of uncertain income and risk of repayment of loan within a time.
TABLE: 5.1. Constraints of Risk and Repayment of Loan.

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Number of beneficiaries.</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Animal husbandry/Buffalo unit</td>
<td>Business &amp; Small traders.</td>
<td>Agarbatti,&amp;Matmaking,cobbler &amp;other occupations</td>
<td>Total</td>
</tr>
<tr>
<td>Uncertain income and risk of repayment of Loan</td>
<td>20</td>
<td>02</td>
<td>16</td>
<td>38(36.56)</td>
</tr>
<tr>
<td>No difficulties.</td>
<td>40</td>
<td>--</td>
<td>26</td>
<td>66(63.46)</td>
</tr>
<tr>
<td>Total.</td>
<td>60</td>
<td>02</td>
<td>42</td>
<td>104(100)</td>
</tr>
</tbody>
</table>

Source: Survey data

5.2.2. Improper development of occupations.

It has been observed in the field study that regarding different occupation in rural areas. The estimated cost was more than the actual amount of credit disbursed by the bank. In such cases the repayment of credit becomes difficult.

It is the most common problem faced by almost all business/ small traders, and milk-set owners. During the off season, there is very less demands for these goods. So the beneficiaries of SGSY scheme find difficult to earn even 25 per cent of what they were earning during the normal season. It posses a greater problem of repayment. As a result there will not be regular and prompt repayment of credit by the borrowers, naturally leading to over dues in some extent.

It has been observed by researcher that there is close link between the literacy and credit utilization on the part of the rural artisans. Most of them have education only up to primary level. Nearly 60 out of the selected 104 beneficiaries have studied up to primary level, it means nearly 57.69 per cent of the total. It shows the respondents are from rural background having lower level education, literacy and ignorance didn’t allow the beneficiaries to make the best end use of
the credit sanctioned. Moreover they didn’t adopt new technology in the process of production. Therefore, The use of traditional methods also didn’t attract the modern customers towards their products.

5.2.3. Lack of demand for the product especially for the handicraft products.

Demand is most components for the price fixation in the market. But it was considered as a main problem especially for handicraft products. There were 15 out of 104 beneficiaries belonging to rural artisans like mat making, agarbatti making, cobbler and weavers etc, have faced the lack of demand for their product. Recently, the demand for village industrial product is gradually declining. Because they are totally primitive and traditional in nature. They rarely attract the attention of the modern customers. It leads to a fall in demand. Due to lack of demand for their product, rural artisans were not interested to get loan for these activities. This shows that the productions of village industrial products are gradually declining.

5.2.4. Lack of infrastructure facilities in rural area:

Infrastructure facilities like Drinking water, Marketing, Transport & Communication facility, Proper Road facility, electric power, water supply etc., are most important to development of any nation. Unfortunately, these facilities are very poor in India. The following table illustrated the response of beneficiaries regarding the problem of infrastructural facilities in the study area.
TABLE 5.2. Constraints of Infrastructure Facilities in rural area.

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Number of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate infrastructure facility.</td>
<td>83 (79.80)</td>
</tr>
<tr>
<td>Adequate infrastructure facility.</td>
<td>21 (20.19)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104 (100)</strong></td>
</tr>
</tbody>
</table>

Source: Survey data

There were 79.80 per cent of beneficiaries are facing inadequate infrastructure facilities. And about 20.19 per cent of them are having adequate infrastructure facility. It shows us that infrastructure facilities for rural area in general and rural artisans in particular are inadequate. This is one of the problems of the development of the rural business/ small traders.

5.3. DIFFICULTIES ENCOUNTERED IN OBTAINING SGSY LOANS:

There are many problems in availing the benefit of the scheme. The respondent beneficiaries under the SGSY loan through Nationalized commercial Banks have not experience difficulties asserted by 3 of them while 12 respondents however, expressed the opinion that there is much work involved in the disbursement of loans. The following table illustrated the response of beneficiaries regarding the difficulties encountered in obtaining SGSY loans in the study area.

The table 5.3 reveals that 26.92 percent of respondent have had the complaint about undue delay in sanction. Nearly 19.23 percent of respondent have stated that there is lack of co-operation between government officers and beneficiaries. Even 25.00 percent of beneficiaries have asserted that there is lack of proper supervision. Further the beneficiaries have also not encountered any additional or excess expenditure involved in obtaining SGSY loans from the Banks.
TABLE: 5.3. Difficulties Encountered in obtaining SGSY Loans.

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of beneficiaries.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of co-operation between the Govt. officers and beneficiaries.</td>
<td>20. (19.23)</td>
</tr>
<tr>
<td>Undue delay in sanction of the loan</td>
<td>28. (26.92)</td>
</tr>
<tr>
<td>Lack of proper supervision.</td>
<td>26. (25.00)</td>
</tr>
<tr>
<td>More of paper work.</td>
<td>24. (23.07)</td>
</tr>
<tr>
<td>No difficulties.</td>
<td>06. (5.76)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104 (100)</strong></td>
</tr>
</tbody>
</table>

*Source: Survey data*

5.4. GENERAL PROBLEMS OF THE SGSY BENEFICIARIES:

There several General problems for poor the performance of SGSY scheme found in the study area. Some of the observed problems are furnished below.

a) Lack of knowledge to identify which developmental activity suits them and can be pursued with greater interest among the beneficiaries.

b) They have to frequently visit to Gram Panchayat level and Taluk Panchayat office to get sanctioned a scheme.

c) Illiteracy is the main obstacles, which is keeping them away from development programme.

d) Undue delay between selection of the beneficiaries and distribution of scheme.

e) People are not informed and educated about the development programme at regular intervals.

f) Villagers have visit several times for just submitting the application. Sometimes corruption is common tendency at every stage in the sanctioning of loan or scheme.
g) Due to lack of information majority of the rural people are unaware of the large subsidies available to them under the specific scheme.

h) Communication gap between those who run the programme and beneficiaries.

i) Lack proper co-ordination between the Banks and local officials. And some of the managers of banks are have indifferent attitude towards the subsidy scheme.

j) Due to lack of skilled labour majority of the rural people do not take an interest to start innovative production in the rural area by the use of modern equipments.

k) Due to nuclear family at village level and diversification of family workers, sufficient family workers are not available as our requirements. So majority of the rural people are not interested to start the self-employment programme

The SGSY has performed poorly in achieving desired result. It may be stressed here, that Government does not have any specific monitoring cell to check proper functioning of this development programme. The another major problem noted here on the basis of field survey are indifferent attitude of banks, lack of infrastructure, illiteracy, lack of confidence. Therefore the Government should take the suitable action to avoid the above said problems.